

Chapman Reply Affidavit – Attachment A



Edward E. Whitacre, Jr.
Chairman and
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April 6, 2001

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Hastert:

This is in response to the letter of Commissioner Terry Harvill of March 29, 2001. In my letter of March 14, I expressed concerns about decisions by the Illinois Commerce Commission ("ICC") that have derailed SBC's plans for deployment of new digital-age equipment to make high-speed Internet access available to over a million Illinois consumers ("Project Pronto"). SBC made the decision to spend \$6 billion in new facilities and equipment to extend Digital Subscriber Line ("DSL") services to residential and small business customers. We made that decision knowing that we would be competing directly with cable, wireless and satellite providers offering their own forms of high-speed Internet access. It was our hope and expectation that DSL would receive even-handed regulatory treatment in the competitive high-speed Internet access market. However, that has not occurred in Illinois. My company simply can not go forward with the deployment of Project Pronto DSL facilities in Illinois given the recent actions by the ICC. Those actions undermine the economic feasibility of Project Pronto in Illinois and SBC's ability to compete effectively against cable, wireless and satellite providers.

As the FCC and others have recognized, there is no separate market for DSL services that Project Pronto would provide; rather, the emerging high-speed Internet market involves at least four separate technologies -- cable modem, wireless, satellite, and DSL -- all competing head-to-head with no reliance on the other's facilities. Unfortunately, the ICC's decision imposes new regulations on just one of those technologies -- DSL. The ICC is applying requirements on the new technology of DSL that were intended for the previous technology of the local exchange network.

The ICC's "collocation" and "unbundling" requirements would render Project Pronto economically infeasible in Illinois. In fact, the costs of implementing the ICC's decision alone could easily exceed *half a billion* dollars, but in some cases the ICC allows SBC to recover *zero* dollars. As a company with responsibilities to its shareholders and employees, SBC cannot justify investing in Project Pronto DSL facilities in Illinois under these circumstances. As a result, the ultimate burden of the ICC's decision falls on the more than one million Illinois consumers that will be denied access to DSL high-speed Internet services and the competitive alternative it offers to cable modem and other broadband technologies and services. The ICC Order is especially troubling in light of a lengthy proceeding before the FCC involving Project Pronto which did not result in the collocation and unbundling requirements at issue here.

Congress and the FCC stand at a crossroads with respect to broadband competition. Difficult policy choices include whether to regulate advanced services at all and, if so, how fairly to harmonize treatment of traditionally discrete technologies. The various options must be carefully weighed based on a full knowledge of the market, the technology, and the competitive and economic consequences. The ICC order unwisely jumps the gun on Congress and the FCC on these critical issues, to the detriment of both competition and consumers in Illinois, and may tempt other states down the wrong path as well. Indeed, what is ironic about the ICC's approach is that it would do nothing to promote competition and investment in high-speed Internet access market. Instead, the ICC actions simply exacerbate the existing regulatory asymmetry by further burdening DSL deployment with costly new requirements while applying no such requirements to the providers of cable modem service that currently dominate this market.

I am hopeful that you and the Congress will take action this year to promote real competition in the high-speed Internet market.

I have asked my staff to prepare an attachment to reply in more detail to the specific issues raised in Commissioner Harvill's letter. If you or your staff have any questions or need any additional information regarding this attachment, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Ed Whitacre". The signature is written in a cursive, flowing style.

Attachment

CC: The Honorable John McCain
The Honorable Ernest Hollings
The Honorable W.J. Tauzin
The Honorable John D. Dingell
The Honorable Gov. George H. Ryan

RESPONSE TO "FACT #1"

In his "Fact #1," Commissioner Harvill asserts that the "suggestion that Project Pronto is being deployed solely to support data services is dangerously misleading" and implies that Ameritech Illinois is trying to "circumvent its current obligations to provide local loops to CLECs for voice service provision." These claims are inaccurate.

Project Pronto includes both voice and DSL-related facilities, but the DSL-related facilities are the only ones that the ICC order had stopped Ameritech Illinois from deploying, which is why they were the focus of SBC's March 14th letter. Project Pronto will have no impact on SBC's ability to meet its current legal obligations, as it is an *overlay* network of entirely new facilities. All of the pre-existing network will remain in place and available for leasing or resale by CLECs. In fact, far from reducing the availability of loops for voice service, Project Pronto should make even more of that network available to CLECs by freeing up existing copper facilities. In addition, customers seeking higher-speed service from an SBC advanced services affiliate or an unaffiliated CLEC would be able to use the Pronto network via SBC's wholesale Broadband Services offering, as described in the FCC's *Project Pronto Order* (CC Docket 98-141, rel. Sept. 8, 2000). Thus, SBC is providing "access" to the Pronto network.

RESPONSE TO "FACT #2"

In his "Fact #2," Commissioner Harvill attempts to rebut SBC's position that the ICC's order will render Project Pronto DSL deployment economically infeasible in Illinois. His lead argument is that SBC did not present any evidence on the costs that would result from the ICC's order if SBC were to deploy DSL-related Project Pronto facilities in Illinois subject to that order. What Commissioner Harvill overlooks, however, is that such an educated calculation of costs was not even possible until after the record was closed in this case, as the ICC's list of new network elements was never proposed by any party and appeared for the first time in the Hearing Examiner's proposed decision.⁶ Thus, SBC was never given a legitimate opportunity to compute, much less submit record evidence on, the precise costs at issue.

Now that the ICC has issued its order, SBC has had a chance to calculate these costs, which could run to half a billion dollars or more (more than doubling the cost of deploying Project Pronto in Illinois). For example, to develop and upgrade the back-office provisioning, maintenance, and repair systems to accommodate use of this complex equipment in the manner the order contemplates would, by itself, cost more than \$100 million. If competitors under-use or do not use these facilities, there would be no way for Ameritech Illinois to recover any of those costs. Stranded-capacity costs also would arise from inefficient use of the network if CLECs could "collocate" their line cards in the Pronto equipment. To illustrate, the ICC would allow a single CLEC to lease a "Permanent Virtual Path" (PVP) between a remote terminal and central office as an unbundled network element. Each PVP, however, consumes, at a minimum, *one-third* of the available DSL capacity in a given NGDLC system, meaning three CLECs leasing three PVPs would control all DSL service from that remote terminal. Depending on what the CLECs do, the costs of replacing stranded capacity could exceed \$500 million.

While Commissioner Harvill implies that all of these costs could be recovered under the "TELRIC" pricing methodology for unbundled network elements, he ignores the fact that CLECs are under no obligation to purchase these new unbundled elements and may elect not to do so. And even if CLECs did buy these items, it has been SBC's experience that regulators do not allow recovery of such costs in TELRIC-based rates.⁷ Further, Commissioner Harvill ignores the ICC's holding that Ameritech Illinois must provide competitors with the high frequency portion of the loop at a monthly recurring charge of \$0, OSS modifications for \$0, manual loop qualification for \$0, and direct access to all data and functionality in its back-end systems and databases for \$0. The ICC did not believe Ameritech Illinois would incur additional expense if CLECs "collocated" line cards at the remote terminals and simply offered some uncertain possibility of cost recovery at some unknown future time, but only "if such costs are efficient and prudently incurred." How would Ameritech Illinois be able to recover its costs for such activities when the ICC has held that they must be provided to competitors at no charge?

⁶ At that time, Ameritech Illinois promptly informed the ICC that it was suspending the deployment of DSL-related Project Pronto facilities in Illinois because of the cost implications of the proposed order.

⁷ SBC's "agreement" to use TELRIC pricing for its Broadband Service (*not* unbundled elements) was the product of negotiations with the FCC Staff and CLECs during the FCC proceeding and does not represent an agreement that TELRIC is a sound and fair costing methodology.

RESPONSE TO "FACT #3"

In his "Fact #3," Commissioner Harvill asserts that

SBC's position that the Telecommunications Act should not be applied to DSL services is an argument the Company has lost in various legal proceedings time and again. Policymakers have acknowledged that the efficient deployment of advanced services technology requires application of the same unbundling rules as those that apply to voice services. That is exactly what the ICC's decision accomplishes.

Although the last sentence may be correct – "[t]hat is exactly what the ICC's decision accomplishes" – the first two are wrong, which demonstrates why the ICC's decision is legally untenable.

"Unbundling" of Project Pronto Facilities

As explained in SBC's letter, the FCC has indeed applied a different analysis to advanced services technology than voice technology. To begin with, the core functionality for providing advanced services is packet switching functionality (which puts data transmissions into "packets" for more efficient transport). Unlike its rulings on network elements used for voice service, the FCC, recognizing the "nascent" nature of broadband competition and the ability of all carriers to procure their own packet switching equipment, *refused* to require packet switching to be unbundled (except in limited circumstances that do not exist in Illinois) because it did not meet the requirements of Section 251(d) of the 1996 Telecom Act.⁸ The Project Pronto DSL-related facilities provide packet switching functionality, and the ICC's order to unbundle them thus violates the FCC's rule.

Commissioner Harvill also claims that the ICC "correctly applied the federally-mandated 'necessary and impair standard'" in ordering unbundling of Project Pronto DSL facilities. SBC disagrees. As a threshold matter, the FCC already applied the "necessary and impair" standard to packet switching functionality and held that it could be unbundled only in special cases (not present in Illinois). The ICC therefore was not writing on blank slate and had no authority to apply its own version of the "necessary and impair" analysis.

In addition, the FCC's "impair" test includes two sets of factors in 47 C.F.R. § 51.317(b)(2) and (b)(3). While the ICC made passing reference to the (b)(2) factors, it completely ignored the (b)(3) factors. The (b)(3) factors ask, among other things, whether a proposed unbundling requirement "promotes the rapid introduction of competition"; "promotes facilities-based competition, investment, and innovation"; and "promotes reduced regulation." The ICC failed to apply any of these factors, even though they uniformly counsel *against* unbundling of advanced services facilities such as the Project Pronto DSL infrastructure.

⁸ Third Report and Order and Fourth Further Notice of Proposed Rulemaking, ¶¶ 304-316, CC Docket 96-98 (rel. Nov. 5, 1999) ("*UNE Remand Order*").

"Collocation" of Line Cards

Commissioner Harvill also fails to mention the linchpin of the ICC's decision, which is the requirement that SBC allow CLECs to "collocate" their own "line cards" into the Next Generation Digital Loop Carriers ("NGDLCs") being deployed as part of Project Pronto. This is legally and technologically unprecedented, not to mention technically infeasible. "Collocation" allows CLECs to put their own stand-alone equipment on an ILEC's premises (such as a central office where a local switch is housed) and use it to connect to unbundled network elements or mutually exchange traffic with the ILEC. By contrast, the "collocation" the ICC seeks to require is placing a single piece-part of equipment, which has no stand-alone capabilities, into the inner workings of an SBC NGDLC. In other words, normal collocation is like letting a CLEC put its computer in the same room as an ILEC's computer and hooking the two together to exchange e-mails, whereas line card "collocation" is like letting the CLEC install its own hard disk and operating system inside SBC's computer and use that computer's proprietary software, memory, and microprocessor capacity. The D.C. Circuit, however, has already held that allowing CLECs to choose where on an incumbent's premises to put their collocation equipment is improper.⁹

The ICC order also would allow CLECs to "collocate" line cards from manufacturers *other than* those from which SBC is purchasing NGDLCs. The ICC appears to believe that all NGDLCs are fungible, as it assumes that CLECs would be able to differentiate their services by plugging one manufacturer's proprietary line card into another manufacturer's proprietary NGDLC. The equipment does not work that way. The manufacturers themselves have called this concept "laughable" and "ludicrous" and noted that devaluing their intellectual property in this manner would quickly kill their incentives to innovate and develop new products.¹⁰

It is also worth noting that the FCC, when previously faced with the same issue, deliberately declined to impose any such "collocation" requirement. The FCC found that allowing the SBC incumbent carriers to retain ownership of line cards, when coupled with SBC's multiple procompetitive commitments to allow competitive sharing of the Pronto architecture through the offering of Broadband Services to all carriers and facilitating other methods of competition, was the best way to serve the public interest and the goals of the 1996 Telecom Act. The FCC also is now in the midst of three rulemakings to address – on a national level – the issues that the ICC already purports to resolve. It is quite puzzling how Commissioner Harvill can claim that the ICC is consistent with FCC policy when it directly conflicts with the FCC's rulings to date – thus depriving SBC of the benefit of those rulings – and prejudices matters the FCC has yet to decide.

⁹ *GTE Service, Inc. v. FCC*, 205 F.3d 416, 426 (D.C. Cir. 2000).

¹⁰ *Public Forum: Competitive Access to Next-Generation Remote Terminals*, Tr. 129, 133 (FCC May 10, 2000).

RESPONSE TO "FACT #4"

In "Fact #4," Commissioner Harvill claims that Ameritech Illinois is facing "growing competition" from cable companies and seeks "further regulation of cable companies" to protect itself. Such a claim reveals unfamiliarity with the advanced services marketplace. As close observers know, cable modem providers (such as AT&T/@Home) *already* hold a commanding share of the broadband market. SBC's March 14 letter conservatively estimated their current market share at more than 70 percent in certain markets; as of December 31, 1999, the FCC itself estimated cable's share of the broadband/advanced services market at 78-88%,¹¹ and some have even put this market share even higher. Cable and wireless providers are rushing to serve the broadband market in Illinois,¹² and the ICC's order, far from promoting competition among multiple technologies as Congress and the FCC have urged, seeks to handicap DSL technology based solely on SBC's legacy as an incumbent provider of *voice* service. As FCC Chairman Powell has emphasized, that is not a legitimate basis for regulation in this arena.¹³

* * *

The FCC has repeatedly recognized that the broadband/advanced services marketplace is "nascent," "dynamic," and "evolving," and thus far has accordingly adopted a policy of "regulatory restraint."¹⁴ FCC Chairman Powell testified just a few days ago that the competing technologies in this market are rapidly converging. Thus, the FCC will need to "rationalize and harmonize" oversight of these competing technologies and "will strive not to favor – or uniquely burden – any particular [technology]." Chairman Powell particularly emphasized the FCC's focus on "innovation and investment," noting that "[i]f the infrastructure is never invented, is never deployed, or lacks economic viability we will not see even a glimmer of the bright future we envision."¹⁵ SBC shares these concerns, which is why SBC is concerned about the ICC's Project Pronto rulings and their impending impact on advanced services deployment and the citizens of Illinois.

¹¹ Second Report, ¶¶ 71-72 *Inquiry Concerning the Deployment of Advanced Telecommunications Capability*, CC Docket 98-146 (rel. Aug. 21, 2000) (as of December 31, 1999, cable had 87.5% of all residential "advanced services" subscribers and 78% of all residential "high-speed" subscribers).

¹² See, e.g., Jon Van, Sprint Streams Wireless Broadband from Sears Tower. *Chicago Tribune*, Bus. Section, March 26, 2001.

¹³ Opening Statement of Michael J. Powell, Chairman, Federal Communications Commission, before the Subcommittee on Telecommunications and the Internet of the House Committee on Energy and Commerce, at 2, March 29, 2001 ("Powell 3/29/01 House Testimony").

¹⁴ *UNE Remand Order*, ¶ 316.

¹⁵ Powell 3/29/01 House Testimony at 2.

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Application by SBC Communications Inc.,)	
Southwestern Bell Telephone Company, and)	
Southwestern Bell Communications Services,)	CC Docket No. 01-88
Inc. d/b/a Southwestern Bell Long Distance for)	
Provision of In-Region, InterLATA Services in)	
Missouri)	

**JOINT REPLY AFFIDAVIT OF DANIEL J. COLEMAN, WILLIAM R. DYSART,
ELIZABETH A. HAM, BRIAN D. NOLAND, DAVID R. SMITH,
AND THOMAS E. WEISZ**

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The undersigned, being each of lawful age, do hereby state as follows:

1. My name is Daniel Jay Coleman. My business address is 2600 Camino Ramon, Room 2E501, San Ramon, CA 94583. I am General Manager, OSS Support, Network Services Staff. In this position, I am responsible for an organization supporting Operational Support Systems (OSS), including LMOS, for SBC Network Services in 12 States.
2. I received my BS in Information and Computer Science from the University of California, Irvine in 1986, and have been employed by Pacific Bell/SBC Communications, Inc. in various capacities since that time. I have managed teams supporting Operational Support Systems in Network Services, led and managed Software Development Teams in Information Technology, held various Staff Finance positions, and served as a Central Office Engineer in Network Engineering.
3. My name is William R. Dysart. I am the same William R. Dysart who previously filed an affidavit in this proceeding, which provides my relevant experience and qualifications.
4. My name is Elizabeth A. Ham. I am the same Elizabeth A Ham who previously filed an affidavit in this proceeding, which provides my relevant experience and qualifications.
5. My name is Brian D. Noland. I am the same Brian D. Noland who previously filed an affidavit in this proceeding, which provides my relevant experience and qualifications.
6. My name is David R. Smith. I am the same David R. Smith who previously filed an affidavit in this proceeding, which provides my relevant experience and qualifications.

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7. My name is Thomas Erwin Weisz. My business address is 225 W. Randolph (room 30B), Chicago, Illinois 60601. I am Team Leader Manager – Work Force Administration Dispatch Out (WFA/DO). In this position, I am responsible for managing the WFA/DO application, including system performance, system utilization, and release installation, on a twelve-state basis.
8. I have been employed within the Telecommunications business since 1976, when I began my career with Northwestern Bell in Des Moines, Iowa where I held positions in Network Assignment and Network Administration. I transferred to Illinois Bell in 1979 as a Residence Customer Service Representative and then held positions as Central Office Technician and Special Services Technician. In 1984 I was promoted to a managerial position within Network Staff responsible for supporting and deploying Telcordia Applications, including (WFA) throughout Illinois. In 1989, my responsibilities expanded to all five Ameritech states and in 2000, my responsibilities were further expanded to include Pacific Bell/Nevada Bell and SWBT states.

Introduction

9. This Affidavit responds to the comments of AT&T and other carriers concerning SWBT's Loop Maintenance Operations System (LMOS). See, e.g., AT&T Comments at 44-47.
10. Specifically, in connection with issues related to LMOS, AT&T complains that SWBT has failed to provide non-discriminatory access to its OSS maintenance and repair functions. In response, this affidavit:
 - provides a full description of the LMOS records issue;

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- demonstrates that this issue relates solely to the update of UNE-P records in LMOS;
- discusses the system enhancements made by SWBT to ensure correct sequencing of the D and C orders in posting to LMOS;
- explains the impact of prior sequencing problems on the LMOS embedded UNE-P base and shows how any such incorrectly sequenced records have been corrected;
- establishes that electronic trouble reports may now be opened on UNE-P accounts that were corrected in the embedded base;
- discusses the minimal impact this issue has had on PM reporting to date; and
- demonstrates that PMs utilizing LMOS data for reporting purpose will correctly capture trouble reports on UNE-P lines moving forward.

11. While SWBT – with the assistance of the CLECs – has identified and corrected a potential problem for UNE-P records maintained in the LMOS database, no evidence has been presented that the access provided by SWBT to LMOS has adversely impacted any CLEC operations.

12. SWBT has never contended that either its OSS interfaces, or the back office systems and databases those interfaces access, operate without error. SWBT addresses and resolves operational issues related to those interfaces, databases and systems, impacting both retail and wholesale customers, in the regular course of its business.¹ As noted by the FCC, “While we will not hold the BOCs to a standard of perfection, we require the BOCs to establish

¹ The affidavit of Elizabeth Ham (¶¶ 220-229) describes the two OSS electronic interfaces made available to CLECs by SWBT for trouble reporting purposes, Toolbar Trouble Administration (TBTA) and Electronic Bonding Trouble Administration (EBTA). TBTA and EBTA both interface with LMOS and other downstream maintenance and repair systems, providing CLECs with electronic trouble reporting capability. Effective March 18, 2000, TBTA was enhanced to provide CLECs with the ability to submit trouble reports on the service order due date (i.e., prior to the service orders posting to the maintenance and repair systems). This enhancement also gave CLECs access to other trouble administration functionality (including Trouble History, Trouble Ticket Status, and MLT Test) on the conversion due date. The access to maintenance and repair functionality provided by SWBT through both TBTA and EBTA fully satisfies the requirements of the Act.

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methods to respond effectively to problems as they occur and to prevent similar failures in the future.”²

13. As discussed in more detail below, the LMOS issue was first raised by Birch late last year in connection with regular, on-going business contacts between the companies. Birch indicated that it was unable to open electronic trouble reports on some UNE-P lines, and questioned whether those reports were being picked up in the appropriate performance measurements.
14. The results of SWBT’s investigation into issues raised by Birch, and the corrective actions SWBT has taken, are set out in detail below. However, in an effort to address Birch’s concerns while SWBT’s investigation proceeded, in January SWBT put a manual process in place designed to expedite updates of UNE-P line records in LMOS, and improve collection of trouble report data.
15. AT&T raised a similar issue with SWBT on March 9, providing SWBT a list of 129 telephone numbers (covering the December 2000 through February 2001 timeframe) on which it was unable to open an electronic trouble report through SWBT’s Tool Bar Trouble Administration (TBTA) interface. During this three-month period, AT&T submitted *** trouble reports for UNE-P accounts, *** of which were submitted electronically.³ The telephone numbers for which AT&T was not able to submit an

² Memorandum Opinion and Order, Application of BellSouth Corp., BellSouth Telecomms., Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, 13 FCC Rcd 20599, 20639, ¶ 57 (1998).

³ SWBT understands that not all of AT&T’s trouble reporting groups access TBTA and, accordingly, submit manual reports instead.

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electronic trouble report therefore constitute less than 0.5% of its total electronic trouble reports during this period.⁴

16. Shortly thereafter, on March 16, Birch filed comments with the Texas Commission raising this issue in connection with the SWBT regional six-month performance measurement review.⁵ The review itself was conducted by Texas Commission staff in workshops that included regulatory representatives from all five SWBT states, held on April 4 - 5, 2001.

17. At the time SWBT's Missouri 271 Application was filed with the FCC on April 4, 2001, only two CLECs had raised any issue or concern with regard to LMOS and the submission of electronic trouble reports. The issues raised by AT&T and Birch, and by other CLECs commenting in this proceeding, relate solely to "inefficiencies" encountered in being required on occasion to submit manual reports that otherwise could have been created electronically, and to performance measurement reporting.⁶ To date, no CLEC has presented evidence indicating that SWBT has failed to work trouble reports on a timely basis once those reports have been received. Similarly, no CLEC has presented evidence that any end-user troubles were not corrected, or that maintenance and repair services were not delivered, once the trouble report was called into SWBT's LOC.

⁴ Based on SWBT's investigation, 102 of the subject telephone numbers were not properly updated in the LMOS database, resulting in AT&T's inability to submit an electronic trouble report. At the time of SWBT's analysis, the remaining 27 telephone numbers contained on AT&T's spreadsheet were accurately reflected in SWBT's maintenance and repair systems as disconnected numbers.

⁵ Response of Birch Telecom of Texas LTD., L.L.P. to Southwestern Bell Telephone Company's Proposals for the Second Six Month Review, Section 271 Compliance Monitoring of Southwestern Bell Telephone Company of Texas, Project No. 20400 (Texas PUC filed Mar. 16, 2001).

⁶ Manual trouble reports may be submitted in a matter of minutes. CLECs receive the same commitment time for repair regardless of whether the report is submitted electronically or manually.

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18. Given the lack of any prior complaints by CLECs, the fact that the complaints from Birch and AT&T had a very limited operational impact,⁷ and that the impact on historical reporting of performance measurements is minimal, SWBT regarded this issue then, and regards it now, as an operational matter to be corrected in the regular course of business. As directed by the FCC, and as set out in detail below, SWBT has responded to these issues as quickly as possible, and has addressed the underlying problems in an efficient manner designed to ensure that the same problems are not encountered in the future.
19. Because SWBT does not regard this as an issue impacting 271 compliance, no specific discussion of this issue was contained in its original filing. However, SWBT's original filing demonstrated its compliance with the maintenance and repair OSS functionality requirements of the Act, and the facts set out below further demonstrate that continued compliance.

LMOS UNE-P Record Updates

20. LMOS is a "legacy system," developed by AT&T in the mid-1970's to process trouble reports on retail POTS (i.e., non-special services) for all of its Operating Companies. Since the passage of the Telecommunications Act of 1996, SWBT has made numerous modifications to its LMOS interfaces to accommodate the processing of trouble reports for CLEC resale and UNE-P accounts.
21. LMOS line records are updated nightly during the business week to reflect new service order activity, including any transfer of service from one local provider to another. On all accounts

⁷ Impacting only UNE-P lines 1) on which trouble existed; 2) for which an electronic report was attempted; and 3) that had not been properly updated in LMOS.

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involving multiple service orders LMOS, updates are designed to follow a “remove, then insert” sequence.⁸ On UNE-P accounts, the LMOS update is taken from the posted “D” order in CRIS⁹ (removing the current service provider in the billing system) and the posted “C” order in CABS (inserting the new service provider, and moving the account to CABS billing).¹⁰ The D order puts the record into “disconnected” status.¹¹ The C order then follows, establishing the new carrier as the service provider (through designation of the CLEC’s Master Customer Number (MCN)), and returning the LMOS record to working status.

Order Sequencing Issue

22. Problems on the LMOS update may occur if the D and C order do not post in the proper sequence. If the C order processes before the D order, the C order attempts to post in LMOS, but – without the corresponding D order – finds a working account. This creates an error condition, causing the C order to fall out for manual handling in the LMOS Data Resolution

⁸ The sequencing issue discussed in this affidavit does not impact LMOS updates that rely on a single service order, such as updates on CLEC resale accounts. Additionally, the only UNEs inventoried in LMOS are UNE loop and port combinations (UNE-P). All other UNEs, as well as all SWBT designed services, are inventoried in SWBT’s Work and Force Administration/Control (WFA/C) system for trouble reporting purposes. WFA/C updates its customer records based on manual order completion within WFA/C or information received from the TIRKS system, and is not dependent on posting to the billing applications.

⁹ With the system enhancement implemented on March 28, 2001 (discussed below) LMOS now receives the D order after its completion in SORD, rather than after posting in CRIS.

¹⁰ The process used by SWBT for UNE-P conversions is explained in the Affidavit of Elizabeth Ham (¶¶ 211-216). As explained in that affidavit, such a conversion involves the use of three different service orders: a “D” or “disconnect” order; a “C” or “change” order; and an “N” or new connect order. Retail accounts may also require multiple service orders to complete a transaction. For example, multiple service orders are required for “outside moves” (i.e., moves involving outside plant activity) on retail accounts with a main telephone number and additional “billed-on” lines. Such moves involve the following orders, all of which must post in sequence: “C” or “change” orders to disconnect each of the “billed-on” lines; an “F” or “From” order to disconnect service on the main number at the old address; a “T” or “To” order to start service on the main number at the new address, and additional “C” order(s) to re-establish service for each of the “billed-on” lines. These orders will error out to the LDRC for manual correction if they do not post to LMOS in sequence.

¹¹ The designation of “disconnected” affects only the LMOS record, and has no impact on service to the end user.

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Center (LDRC). In the meantime, the D order processes through on a subsequent update, placing the LMOS record into disconnect status.

23. Manual fallout of LMOS records to the LDRC has always occurred in the regular course of business on both retail and whole sale accounts, due to a variety of possible error conditions. When such errors occur, the LDRC is responsible for manually updating the LMOS record and placing the record back into working status.¹²

24. Late last year Birch approached SWBT concerning problems it was experiencing in submitting electronic trouble reports on its UNE-P accounts. Birch indicated that on occasion it would receive a message from SWBT's TBTA advising that an active UNE-P account had been "disconnected or ported out" and rejecting the report back to the CLEC.

25. As noted above, when an out-of-sequence posting situation occurs, the LMOS record reflects a "disconnected" status. Although manual trouble reports can be opened on an account which is "disconnected" in LMOS, electronic reports cannot. Because records that are disconnected in LMOS do not contain information necessary for electronic processing (for example, customer name, address, and facility information), SWBT's interfaces are programmed to prevent electronic trouble reports from being generated on disconnected telephone numbers for either SWBT's retail or wholesale customers. If a CLEC attempts to create an electronic trouble report via TBTA or EBTA on a number in disconnected status,

¹² For example, other error conditions that could result in LMOS fall out include inside and/or outside plant facilities not on record; main telephone number not on record; and class of service or customer code missing.

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TBTA will return the message “[t]his TN has been disconnected or ported out. No information available.”¹³

26. Upon receiving such a message, the CLEC is instructed to phone a manual trouble report in to the LOC.¹⁴ Upon receipt of the report, the LOC first verifies through SORD that, although the number is shown as “disconnected” in LMOS, it is in fact a working number. The LOC then uses the information from the CLEC service order to create the trouble report. As discussed in footnote 5, as long as the CLEC does not delay in submitting a manual trouble report after the receipt of the above notification message, it should receive the same commitment time for repair that would have been received if the report had been submitted electronically.

27. Prior to September of 2000, LMOS database corrections were performed in the eight Mechanized Loop Assignment Centers (MLACs) distributed throughout SWBT’s region. The primary focus of the MLACs is the provisioning of service and the resolution of end-user troubles. Because an incorrect LMOS line record – including a record in disconnected status – is not service impacting for the end user, updating of records (retail and wholesale) that fell out for manual handling was not the first priority for the MLAC, resulting in a backlog of LMOS line records requiring correction. During its investigation of the issues

¹³ As noted above, SWBT retail service can encounter situations in which LMOS has not been properly updated. In such a case, the SWBT retail customer can not enter a trouble ticket electronically. SWBT’s Customer Service Bureau (CSB) would have to create the trouble ticket for the retail customer.

¹⁴ The CLEC Handbook advises CLECs that the LOC will accept a manual trouble report when the CLEC encounters problems using TBTA or Electronic Bonding due to problems associated with posting of the service orders to completion. See Attachment A, SWBT CLEC Handbook, Maintenance and Repair Overview at 3, section entitled “LOC Acceptance of Trouble Reports On or After Service Order Due Date.”

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raised by Birch, SWBT determined that this backlog prevented the opening of electronic trouble reports on those UNE-P records that had sustained a sequencing error.

28. In September of 2000, the LMOS database maintenance function was transferred from the MLACs to the Network Services Staff Organization, and renamed the LMOS Data Resolution Center (LDRC). Because the sole responsibility of the LDRC is to resolve and correct LMOS database errors, it is better positioned to ensure that records are updated on a timely basis.

29. In an effort to address the issues by Birch, SWBT's LOC and LDRC organizations adopted a process to minimize the effects of the delay in updating records caused by the backlog. When a CLEC calls a trouble report into the LOC and advises that it was unable to submit the report electronically,¹⁵ the LOC opens a trouble ticket as described above. Beginning January 2001, the LOC began to fax a form (reflecting the information from SORD necessary to update the LMOS record) on all such CLEC reports to the LDRC for line records to be updated in LMOS on an expedited basis.¹⁶

30. The LDRC has assigned first priority to working updates to the line records specified in the forms faxed by the LOC. SWBT also began working on a fix to the sequencing issue, and

¹⁵ When the CLEC calls a report to the LOC after encountering a problem with entering it electronically, the CLEC should indicate that a recent service order has moved the customer's service to that CLEC. See Attachment B, CLEC Handbook, Trouble Reporting at 2, Section 2.2.1.

¹⁶ SWBT developed this manual process in an effort to accomplish two things. First, once the LDRC received the form from the LOC and updated the LMOS record, electronic reports could be opened, and PM data would be accurately tracked on any future trouble reports for that line. Second, SWBT intended for the expedited update to occur prior to the closing of the trouble report. As discussed in more detail below, PM data on a trouble report for a telephone number that LMOS reflects is disconnected will track to the last service provider on the LMOS record for that number. However, upon further validation, SWBT has found that not all expedited LMOS updates initiated by the LOC could be processed in the LDRC prior to the trouble ticket closing. Therefore, the LOC recently implemented a process that allows PM data on manual reports to be captured regardless of the timing of the LMOS update. This process is discussed in the "Impact to Performance Measurements" section of this affidavit.

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developing a method of analyzing the embedded base of UNE-P records to determine the extent of the problem, and whether those records with a sequencing error could be corrected mechanically.

System Enhancements

31. In the last two months, SWBT has implemented a two-part system enhancement, designed to ensure that UNE-P service orders are updated to LMOS in the proper sequence. First, effective March 29, 2001, SWBT altered its procedures for updating the LMOS database. LMOS now receives a file containing the D order after it has completed in SORD (rather than waiting for the D order to post to CRIS). This was the first step of a process improvement implemented in conjunction with the WFA/DO Release described below.
32. Second, effective May 11, SWBT has fully implemented Telcordia WFA/DO Release 4.6, which provides order type as a selection criteria for sending auto completion messages to SORD. Utilizing this new completion selection criterion, SWBT has ensured that WFA/DO sends order completion messages to SORD in the proper sequence (i.e. "first D, then C").
33. Together, these new processes eliminate the "out-of-sequence" condition discussed above. LMOS now updates its records based on completed D orders taken directly from SORD (where the correct posting sequence of the D and C orders, has been assured by the WFA/DO Release). The C order will continue to update LMOS upon posting to the CABS database. Because SORD sends the completed D order to LMOS before the posted C order is received

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from CABS, LMOS will no longer receive the C order before the D, and the orders will post to LMOS in the appropriate sequence.¹⁷

Correction of Embedded Base

34. In order to assess the impact of out-of-sequence posting on the LMOS database, SWBT compared the UNE-P records in the LMOS database with the CABS database record for the same telephone number. Approximately 9.5% of the UNE-P records were found to be “disconnected” in LMOS, but working in CABS, indicating that the C order had posted to CABS, but that the D order was the last to post to LMOS.
35. Effective May 11, 2001 SWBT completed an update to LMOS, changing the status on these records from “disconnected” to “working,” and otherwise bringing the LMOS UNE-P record up-to-date with all of the required elements for trouble report processing contained on the CABS record. This update corrects the embedded base of UNE-P records identified by SWBT as disconnected due to a sequencing problem.¹⁸

¹⁷ On May 2nd, Birch provided SWBT with a list of 24 telephone numbers (out of an original sample of 50) for which it did not believe the LMOS record had been correctly updated. Based on this sample Birch inferred that the March 29th system enhancement did not work. SWBT’s investigation to date has identified that 8 of the 24 numbers relate to special circuits which, as noted above, are not inventoried in LMOS. Birch has acknowledged that these eight numbers were submitted to TBTA in the wrong format (TN format rather than circuit format). The incorrect submission is what resulted in Birch receiving an error message on these numbers. As for the remaining 16 telephone numbers, SWBT has determined they are accurately updated in LMOS. However, SWBT is continuing to investigate in an attempt to determine why Birch received an indication that the records had not been updated.

¹⁸ With this correction to the embedded base, the LDRC is now current, with no backlog, on all UNE-P fallout resulting from the prior order-sequencing issue. SWBT verified the results of the correction of the embedded base through the use of LMOS utilities that confirmed each record was successfully updated during the process, and by performing manual “spot checks” of the records after the process. Further, SWBT verified that trouble reports could now be opened on these corrected records by using TBTA to successfully open fictitious trouble reports on a sample of these records. SWBT will continue to monitor the LMOS database at regular intervals to ensure synchronization between CABS and LMOS on UNE-P records.

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Impact on Electronic Trouble Reports

36. As discussed above, electronic trouble reports cannot be created on either retail or wholesale accounts on a line that is in disconnected status in the LMOS database. The system enhancements outlined above act to ensure that the D order posts prior to the C, and that “disconnection” of the UNE-P line records in LMOS does not result from out-of-sequence posting. Further, the correction to the embedded base ensures that electronic trouble reports may now be created on all such accounts.

37. However, even with proper sequencing of the D and C orders, there can be a lag between the time the D order posts to LMOS from SORD, and the time the C order posts from CABS. If the CLEC attempts to submit an electronic trouble report in a situation where the D order has posted, but not the C, it will receive notification that “This TN has been disconnected or ported out. No information available.” The CLEC would then need to call the LOC to submit the report manually.

38. The impact of delays in service order posting on SWBT’s downstream OSS are described for the CLECs in the Maintenance and Repair section of the online CLEC Handbook.¹⁹ Accessible Letter CLECSS99-151, dated November 5, 1999 provided CLECs with guidelines

¹⁹ See Attachment A at 2, section entitled “OSS Service Order Posts to Repair and Maintenance Databases:” “Until the service order is loaded into the repair and maintenance systems, the mechanized repair and maintenance interfaces of Electronic Bonding – Trouble Administration and Toolbar – Trouble Administration will not be available for the CLEC to use.” This language preceded the March 11, 2000 TBTA enhancement which allowed CLECs to submit electronic trouble reports prior to posting of the service orders. SWBT will update this language to substitute the word “may” for “will,” so that the sentence will read “[u]ntil the service order is loaded into the repair and maintenance systems, the mechanized repair and maintenance interfaces of Electronic Bonding – Trouble Administration and Toolbar - Trouble Administration may not be available for the CLEC to use.”

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for submitting trouble reports to the LOC on UNE-P service if the CLEC is prohibited from using TBTA “due to problems associated with the service order posting to completion.”²⁰

39. Any CLEC encountering the verification message “This TN has been disconnected or ported out. No information available” on a UNE-P trouble report should submit a manual trouble report with the LOC, following the procedures outlined in the CLEC Handbook, Trouble Reporting Section 2.1.²¹

40. Similarly, the CLEC Handbook advises that when the CLEC submits an electronic trouble report via TBTA, and the service orders have not yet posted, the CLEC will receive a response stating “Our records indicate this Telephone Number is not part of your User Profile, do you wish to continue?” The CLEC then is given two options. It may either click “yes” to create an electronic trouble report on a record that does not match its user profile, or it can click “no” to cancel the transaction. If the CLEC clicks “Yes,” it elects to continue with electronic reporting on an account that it acknowledges is not part of its User Profile (and therefore not reported in its PMs). This allows the CLEC to enter a trouble report on a telephone number formatted service (for resale and UNE-P) associated with recent service order activity either in pending or completion status.²²

41. While SWBT believes all of this information has been provided to the CLECs via Accessible Letters and the CLEC Handbook, SWBT is undertaking to review and clarify these sections

²⁰ See also Attachment A at 3, section entitled “LOC Acceptance of Trouble Reports On or After Service Order Due Date.”

²¹ See Attachment B.

²² See Attachment B, Section 2.2.2; see also Accessible Letter CLECSS00-018, dated February 18, 2000 (App. F, Tab 26 to SWBT’s initial application).

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to ensure CLECs are aware of the procedures to follow when either of these messages are received.

Impact on Performance Measurements

42. Performance measurements that require data from LMOS rely upon the MCN to associate any trouble reports to the appropriate CLEC. In the case of a sequencing error, the line is designated as “disconnected” in LMOS, and has not been updated with the new service provider MCN. Accordingly, data on such lines will not be included in the performance measurements for the appropriate CLEC, unless the LMOS record is updated prior to the trouble report being closed. Instead, the data will be reflected in performance measurement data for the last service provider on the account.
43. With the system enhancements discussed above, sequencing errors will not occur, helping to ensure that trouble reports on UNE-P lines will be associated with the appropriate CLEC and captured in the relevant performance measurements.
44. In addition, on May 4th, the LOC began to implement a manual process which is intended to ensure PM data are accurately reported on those occasions in which a CLEC is prohibited from submitting an electronic trouble report due to problems associated with service order posting to LMOS. When the CLEC indicates that it has experienced problems with electronic submission of a trouble report on a UNE-P line, the LOC service representative has been instructed to input a narrative onto the trouble ticket that indicates the CLEC’s four digit AECN (Alternate Exchange Carrier Number) and account class of service.

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45. The Performance Measurements reporting team has designed programming procedures to capture the CLEC AECN and the class of service from the narrative entered by the LOC, thereby allowing trouble reports to be properly included in the CLEC performance measurements regardless of whether the LMOS record has been updated. The data is currently being captured and the programming is scheduled to be complete in time for the reporting of May results in June 2001.²³

46. SWBT will continue to investigate ways to improve its trouble reporting data collection. Of course, SWBT is willing to reconcile data with any CLEC that believes reporting errors have impacted its performance measurements.

47. SWBT has conducted a mathematical analysis to assess the impact of the LMOS issue on prior reporting on the performance measurements. This analysis focused primarily on the following PMs:

- PM 35 Percent POTS/UNE-P Trouble Report within 10 Days (I-10) of Installation
- PM 37 Trouble Report Rate
- PM 37.1 Trouble Report Rate Net of Installation and Repeat Reports
- PM 41 Percent Repeat Reports

48. The details and results of SWBT's analysis are reflected in Attachment C to this affidavit. For purposes of the analysis, SWBT made the assumption that, because the LMOS issue did not affect how the trouble report was handled (only that it was reported as a SWBT customer versus a CLEC customer), the results for PM 38 "Missed Repair Commitments," PM 39

²³ Exclusive of any May 1-3 data, which the new LOC process did not capture.

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“Receipt To Clear Duration,” and PM 40 “Percent Out of Service Less Than 24 Hours” would not have changed. Similarly PM 35.1 was not considered because it is a subset of PM 35 (and therefore included within SWBT analysis of PM 35) and is diagnostic.

49. As set out in Attachment C, SWBT’s analysis took into account an estimated 10% understatement of the embedded base, as well as the associated trouble tickets on those lines that would have been reported to the performance measurement.²⁴ The results of this analysis indicate that there would have been no change in the outcome of the performance measurement results (i.e. parity to out of parity) with the minimal exception of March 2001 for PM 35-12 (No Field work) and PM 41-03 (UNE-P).

²⁴ “Rounding up” the approximately 9.5% of UNE-P records that were found to be “disconnected” in LMOS, but working in CABS, as discussed in ¶ 21 above.

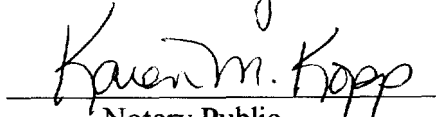
I hereby swear and affirm that the information contained in the attached affidavit is true and correct to the best of my knowledge and belief.

State of California
County of Contra Costa


Daniel Jay Coleman

Subscribed and sworn to before me on this 14th day of May 2001.




Notary Public

I hereby swear and affirm that the information contained in the attached affidavit is true and correct to the best of my knowledge and belief.

William R. Dysart

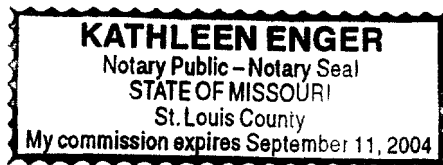
William R. Dysart

Director – Performance Measurements

Subscribed and sworn to before me on this 9 day of May, 2001.

Kathleen Enger

Notary Public

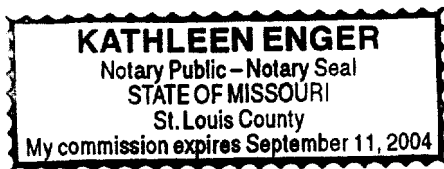


I hereby swear and affirm that the information contained in the attached affidavit is true and correct to the best of my knowledge and belief.

Elizabeth Ham
Elizabeth Ham
VP – Long Distance Compliance

Subscribed and sworn to before me on this 9 day of may 2001.

Kathleen Enger
Notary Public

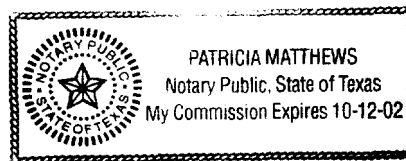


I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on May 9, 2001.

Brian D. Noland
Brian D. Noland
Director -Regulatory Support

STATE OF TEXAS)
COUNTY OF DALLAS)



Subscribed and sworn to before me this 9th day of May, 2001.

Patricia Matthews
Notary Public

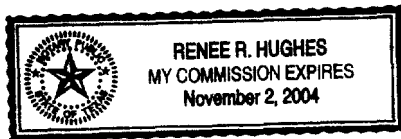
I hereby swear and affirm that the information contained in the attached affidavit is true and correct to the best of my knowledge and belief.

David Ross Smith
David Ross Smith

State of Texas)
) SS.
County of Tarrant)

Subscribed and sworn to before me on this 9 day of May 2001.

Renee R Hughes
Notary Public



I hereby swear and affirm that the information contained in the attached affidavit is true and correct to the best of my knowledge and belief.

Thomas L. Steing

Subscribed and sworn to before me on this 14 day of May 2001.

Gloria Slater

Notary Public

GLORIA SLATER
Notary Public, Oakland Co., Ill.
My Comm. Expires July 1, 2002